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May 27, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jerry A. Holmer
Claim Consultant
Environmental and Mass Tort Claims
CNA Insurance Company
CNA Plaza
Chicago, IL 60685

**Re: Potential Claim for Environmental Damage
in the Coeur d'Alene Basin, Northern Idaho**
Insured: Group R Co., Inc.

Your File: 05-119261
Policy Nos.: RDX010808-5070 (9/1/73 - 8/31/76)
CCP-248 30 24 (8/1/75 - 8/31/76)
RDX 416 97 01 (6/15/79 - 8/31/80)
RDX 416 97 02 (6/15/79 - 8/31/80)
RDX 417 00 92 (8/31/80 - 2/1/82)
RDX 917 61 04 (2/1/82 - 10/1/82)
RDX 917 62 45 (10/1/82 - 10/1/83)
RDX 917 63 57 (10/1/83 - 10/1/84)
RDX 01 808 48 62 (8/27/71 - 8/27/74)
RDX 142 15 16 (6/15/79 - 8/31/79)
RDX 142 18 56 (8/31/79 - 8/31/80)
SRX 215 34 63 (12/15/80 - 2/1/82)
SRX 319 70 02 (10/1/82 - 10/1/83)
SRX 189 14 14 (10/1/83 - 10/1/84)
HL-149635 (12/15/80 - 2/1/82)
HL-180297 (10/1/84 - 10/1/85)
HL-178588 (10/1/84 - 10/1/85)

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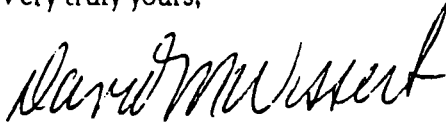
Dear Mr. Holmer:

As you know, this firm represents Group R Co., Inc. ("Group R") in connection with the above-referenced matter. As we informed you in our notice letter, on or about August 29, 1997, the United States Department of Justice (the "United States") and the Coeur d'Alene Tribe (the "Tribe") filed motions in the United States District Court for the District of Idaho seeking leave to amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. Accordingly, we notified you of this claim.

On March 31, 1998, Judge Edward L. Lodge denied the United States' and the Tribe's motions to amend their complaints to add Group R as a defendant without prejudice to the plaintiffs' right to re-file their motions at a later date. A copy of Judge Lodge's Order is enclosed for your review and records. Consequently, Group R is not being added as a defendant at this time.

If you have any questions, please do not hesitate to contact me or Michael David Lichtenstein of this office.

Very truly yours,



David M. Wissert

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Enclosure

cc: Michael David Lichtenstein, Esq.



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